

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2103
ANSWERED ON:15.03.2002
IMPORT OF LOW QUALITY SUGAR
ASHOK NAMDEORAO MOHOL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the countries like China, Brazil, Thailand and Pakistan are providing subsidy to their sugar industry despite restrictions imposed on it by WTO;
- (b) if so, whether cheap and low quality sugar is being imported from these countries;
- (c) if so, whether domestic sugar industry is facing hardships as a result thereof; and
- (d) if so, the steps being taken by the Government to protect the domestic sugar industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

(a),(b),(c)&(d): China has become member of WTO very recently. As per information available, China does not provide any product specific support for sugar and has also undertaken not to maintain or introduce export subsidies on agricultural products. Out of Brazil, Thailand and Pakistan, only Brazil has reduction commitments in respect of export subsidies in terms of WTO Agreement on Agriculture. However, Brazil's usage of export subsidies during the period 1995-98 (the latest period for which information is available) was zero. During the same period, as per WTO documents Pakistan and Thailand have not provided export subsidies for sugar. As per the EXIM Policy of Government of India, import of sugar is on Open General License (OGL). Being an OGL item of import, the individual traders, firms, private or public sector companies are free to import sugar based on their best commercial judgments. However, they are required to register their contracts for import of sugar with Agricultural Processed Food Export Development Authority (APEDA) of Ministry of Commerce. In order to restrict import of sugar, the Government has raised import duty on import of sugar to 60% w.e.f. 9.2.2000 along with continuance of countervailing duty of Rs.850 per tonne. Consequently, import of sugar have reduced considerably.